



July 12, 2022

The Honorable Board of Commissioners
Los Angeles County
Development Authority
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**AMENDMENT TO FLEET MANAGEMENT SERVICES CONTRACT
(ALL DISTRICTS) (3 VOTE)**

SUBJECT

This letter recommends approval of an amendment to the existing contract with Enterprise Fleet Management, Inc., a Missouri Corporation (Enterprise) for fleet management services, to extend the term to December 31, 2023 and to increase the maximum compensation by \$1,000,000 to a total of \$3,829,530.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the approval of an amendment to the existing contract for fleet management services is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.
2. Authorize the Executive Director, or designee, to execute an amendment to the contract with Enterprise to extend the term to December 31, 2023 and to increase the maximum compensation by \$1,000,000 to a total of \$3,829,530, using program funds included in the LACDA's approved Fiscal Year 2022-2023 budget, following approval as to form by County Counsel and execution by all parties.
3. Authorize the Executive Director, or designee, upon his determination and as necessary and appropriate under the terms of the fleet management services contract, to amend or to terminate the contract for convenience.
4. Authorize the Executive Director, or designee, to execute amendments to the fleet management

services contract, to add or delete services, modify the Statement of Work, revise the Fee Schedule, or to increase the total compensation by up to 10% as needed for unforeseen costs.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On February 21, 2017, the Board approved a six-year contract with Enterprise for fleet management services for a compensation amount of \$2,572,300, plus up to a 10% contingency of \$257,230 for unforeseen costs. Due to the conversion to hybrid and electric vehicles, increasing fuel costs for gasoline-powered vehicles, and other unforeseen costs, the LACDA has utilized the full 10% contingency. The LACDA has replaced 49 of 92 gasoline-powered vehicles with hybrid or electric vehicles.

The current contract is set to expire in February 2023. On November 19, 2021, the LACDA issued a Request for Proposals (RFP) to solicit proposals for a new fleet management services contract. Enterprise was the only proposer due to the unique combination of services requested by the LACDA and currently provided by Enterprise. In order to hopefully receive a greater number of competitive responses, the LACDA has elected to cancel the original RFP and issue a new RFP to allow proposals for individual categories of service, including leasing of vehicles, vehicle maintenance, telematics, fuel card services, vehicle resale, and car rental services.

The LACDA is currently conducting a vehicle inventory needs assessment, aiming to reduce the number of vehicles in our fleet by approximately 10%. Vehicle production and supply chain issues have resulted in delays in the production and availability of new vehicles from manufacturers. Because the contract with Enterprise will expire next year, the LACDA intends to extend lease terms for current vehicles through June 30, 2023.

In order to allow time to finalize the inventory needs assessment, to complete the new RFP, to extend the vehicle lease terms, and to allow for longer times for receipt of new leased vehicles, the LACDA is requesting an extension to the existing contract with Enterprise to December 31, 2023 and authority to spend up to an additional \$1,000,000 as needed for a total compensation of up to \$3,829,530.

FISCAL IMPACT/FINANCING

There is no impact on the County General Fund.

The additional \$1,000,000 for the remainder of the contract through December 31, 2023 will be comprised of program funds included in the LACDA's approved Fiscal Year 2022-2023 budget and future budgets.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed services are being primarily federally funded and are subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the Greater Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles.

The contract amendment has been approved as to form by County Counsel and will be effective upon Board approval and execution by Enterprise.

ENVIRONMENTAL DOCUMENTATION

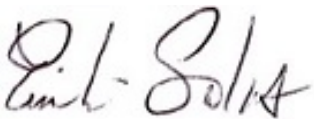
This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3) because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment.

The activities are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed contract amendment will allow the LACDA to continue leasing vehicles for use by LACDA staff.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Emilio Salas". The signature is fluid and cursive, with the first name "Emilio" and last name "Salas" clearly distinguishable.

Emilio Salas

Executive Director

ES:RY:HB